

S: 10 Jul 00

ANPE-NAF-FM (CFSC-FM-C/7 Apr 00) (215-1) 1st End
Ms. Boyer/psb/202-685-2040
SUBJECT: Fiscal Year 2001 (FY 01) Morale, Welfare, and
Recreation (MWR) and Army Lodging Nonappropriated Fund
Instrumentalities (NAFIs) Financial Management Operating
Guidance

Commander, U.S. Army Military District of Washington, ATTN:
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2031g-5058 APR 2 7 2000

FOR

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1. This supplemental guidance applies to all U.S. Army Military District of Washington (MDW) NAFIs, except post restaurants, civilian welfare funds, and chaplain funds. Army Lodging Fund (ALF) supplemental guidance will be provided under separate cover.
2. The Financial Management Budget System (FMBS) Version 2.0 will be used to prepare individual FY 01 annual operating budgets (AOB) and for consolidated budget submission to the MWR One Fund Financial Management Branch. Historical data by program code for MDW NAFIs has been provided via electronic transmission as a budget worksheet including FY 98/99 actual and projected FY 00 data as of 31 Mar 00.
3. The enclosed basic guidance with all references and memoranda may be accessed through the World Wide Army MWR Homepage at <http://www.armymwr.com> under the Financial Management Section, NAF Financial Management Guidance.
4. New and revised budget requirement highlights are:

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a. Overall, insurance rates have declined for FY 01.

b. Newly hired regular employees will be automatically enrolled in the NAF employee retirement plan for six months, see enclosure 5, paragraph 3a(1).

c. The post retirement medical liability (PRM) will be funded by a 2.6 percent surcharge on total payroll. Total payroll will be calculated as the sum of general ledger account codes (GLAC) 601, 609, 617, and 621 for all employees in all categories. The expense will be recorded in GLAC 629 Post-Retirement Medical Benefits Assessment.

d. The 401(k) savings plan surcharge has been reduced from .2 percent to .1 percent.

e. Assume a five percent rate increase from FY 00 for the Department of Defense NAF Health Benefit Plan (DODHBP) and Health Maintenance Organizations (HMOs). Review the employer/employee contribution ratios, enclosure 5, paragraph 3e.

f. A pre-tax medical/dental premium will be in effect 1 Oct 00. This pre-tax impact will reduce the amount of the employer contribution to FICA and MEDICARE for employees under Section 125 of the IRS Code. Details are at enclosure 5, paragraph f.

g. Time, Labor Management System (TLMS) annual maintenance cost should be programmed to equal FY 00 billing. Refresher training is scheduled for a minimum of four one-week classes in FY 01. Installations are encouraged to budget per diem, travel and other costs for employees to attend this training. ~

h. The projected cost of living and locality increases for FY 01 is 3.7 percent.

i. New and revised program, department, and GLAC codes have been published. See enclosure 5. Each financial management

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office will ensure that all new requirements are incorporated into the FMBS module.

j. The ALF will be reimbursing the installations for their investment in guest house facilities beginning FY 01. Three equal installments will be made during the first quarter of each fiscal year through FY 03. General ledger account 805 - ALF Payment for Guest House Investment income, has been established to record this income. This income will be recorded and the One Fund level in Program Code RP.

k. As previously defined in prior year budget guidance for Capital Purchases and Minor Construction (CPMC), it is of utmost importance that multiple items not be submitted as renovations, upgrades or refurbishment's for the current budget year. Each item must be specific in name and meet the CPMC definition. Those items not qualifying as CPMC will be expensed, i.e., uniforms, china, glassware, tableware, linens, and consumable supply items. The CPMC projections for out-years may be grouped together as a total cost and listed as renovations, upgrades, and refurbishment's if the individual items and costs are not yet determined. The CPMC projects under \$50,000 will be prioritized at installation level and a funding cut line established once a consolidated one fund NIBD projection is determined. Projects \$50,000 and over will first be prioritized at the installation level and then by the MDW MWR Board of Directors (BOD) for approval. Carryovers need to be identified and programmed into your FY 01 CPMC budget. Uncompleted FY 00 projects not carried forward on your FY 01 CPMC list, and are executed in FY 01 will be deducted from your FY 01, CPMC allocation. Projects in excess of the \$50,000 threshold will comply with appendix B of the MDW MWR One Fund charter.

1. The MDW MWR One Fund will support the MACOM Soldier/NCO of the Year Program in the amount of \$3,000, added to the \$2,000 in self-sufficiency dividends received from the Army Soldier/NCO programs and should be reflected in program code HD, Unit Activities.

m. The standardized automated Personnel Requirements

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Document (PRD) has been updated by the MACOM and has been sent via electronic transfer to your Financial Management Branches.

n. The Army lodging program guidance is at enclosure 6. Overhead cost allocation and surcharges are covered in this enclosure.

5. Matrices providing department code descriptions for specific programs have been provided at enclosure 7. The descriptions render appropriate GLAC usage for specific departments.

6. Specific budget guidance pertaining to MWR Utilization, Support, and Accountability (USA) is provided at enclosure 8. This guidance includes policy clarification on APF authorizations, accounting instructions, and a sample Memorandum of Agreement.

7. The commander's narrative will include, as a minimum:

a. Description of installation budgeted financial performance against Army financial management standards.

b. A management statement on all activities budgeted NIBD that is 25 percent more or less than FY 00 projected NIBD.

c. Identification and discussion of noteworthy trends.

d. Description of any anticipated cost savings.

e. Remarks on significant NAF revenue increases.

f. Identify activities receiving USA funding.

8. A budget checklist has been provided at enclosure 11.

9. The projected timeline for budget submission and approval by the MDW MWR Board of Directors (BOD) is as follows:

a. Budgets submitted to MACOM 10 Jul 00.

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b. Budgets review by installation and MACOM staff, week of 24-28 Jul 00.

c. Budgets reviewed by MDW EXCOM 17 Aug 00.

d. Budgets approved by MDW BOD 12 Sep 00.

e. Budget due to U.S. Army Community and Family Support Center 13 Sep 00.

10. The commander's narrative along with supporting schedules will be submitted to reach this office no later than 10 Jul 00. Supporting schedules includes Annual Operating Budgets, prioritized CPMC, APF/NAF Five-year Financial Plan, MWR USA MOA, and referenced budget worksheets.

11. This supplemental guidance may be accessed on the MDW Deputy Chief of Staff for Personnel's web site [htCp://www.mdw.army.mil](http://www.mdw.army.mil).

12. The point of contact for this action is your respective budget analyst, MDW MWR One Fund, (202) 685-2040, DSN 325.

FOR THE COMMANDER:

11 Encls
1-10, nc
Added 1 encl

John D. Novak
Deputy Chief of Staff
for Personnel

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